

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Petition of BellSouth For
Forbearance Under 47 U.S.C. Section 160(c)
From Application of the Separate Subsidiary
Requirements of Section 272 of the
Communications Act of 1934, as Amended,
To Provide International Directory
Assistance Service

CC Docket No. 97-172

PETITION FOR FORBEARANCE

BELLSOUTH CORPORATION

Angela N. Brown

Its Attorney

Suite 4300
675 West Peachtree Street, N. E.
Atlanta, Georgia 30334
(404) 335-0724

November 25, 2003

TABLE OF CONTENTS

I.	SUMMARY AND BACKGROUND	2
II.	DESCRIPTION OF BELLSOUTH'S PROPOSED INTERNATIONAL DIRECTORY ASSISTANCE SERVICE.....	8
III.	FORBEARANCE FROM APPLYING THE SEPARATE AFFILIATE REQUIREMENTS OF SECTION 272 TO BELLSOUTH'S PROVISION OF INTERNATIONAL DIRECTORY ASSISTANCE SERVICE IS WARRANTED.	9
	A. Application of Section 272 to BellSouth's Provision of International Directory Assistance Is Not Necessary to Ensure That Rates and Practices Are Just and Reasonable and Not Unjustly or Unreasonably Discriminatory	10
	B. Application of Section 272 to BellSouth's Provision of International Directory Assistance Is Not Necessary to Ensure That Consumers Are Protected.....	12
	C. Forbearance from Applying Section 272 to BellSouth's Provision of International Directory Assistance Will Serve the Public Interest.....	13
IV.	CONCLUSION.....	16

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Petition of BellSouth For
Forbearance Under 47 U.S.C. Section 160(c)
From Application of the Separate Subsidiary
Requirements of Section 272 of the
Communications Act of 1934, as Amended,
To Provide International Directory
Assistance Service

CC Docket No. 97-172

PETITION FOR FORBEARANCE

BellSouth Corporation, on behalf of BellSouth Telecommunications, Inc. (collectively "BellSouth"), hereby petitions the Commission, pursuant to Section 10 of the Communications Act of 1934, as amended¹ ("Act"), to forbear from applying the structural separation requirements of Section 272² of the Act, so as to allow BellSouth to provide international directory assistance ("IDA") service on an integrated basis together with its local and nonlocal directory assistance ("DA") services. This Petition seeks forbearance from the requirements of Section 272 consistent with the relief previously granted to BellSouth (and other similarly situated Regional Bell Operating Companies ("RBOCs")) for the provision of nonlocal directory assistance.³ If granted the relief

¹ 47 U.S.C. § 160.

² 47 U.S.C. § 272.

³ See, e.g., *BellSouth Petition for Forbearance for Nonlocal Directory Assistance Service; Petition of SBC Communications Inc. for Forbearance of Structural Separation*

requested herein, BellSouth agrees to offer IDA service subject to the same conditions attached to its provision of nonlocal DA.⁴

I. SUMMARY AND BACKGROUND

More than four years ago, the Commission released the *U S WEST Forbearance Order*, granting in part, U S WEST's petition for forbearance to provide nonlocal DA. In that order, the Commission concluded that U S WEST's provision of nonlocal directory assistance⁵ service to its in-region subscribers constituted the provision of in-region, interLATA service, as defined in Section 271(a) of the Act.⁶ The Commission further concluded that U S WEST's nonlocal DA service was a permitted incidental interLATA service under Section 271(g)(4) and was thus an appropriate arrangement for consideration of forbearance from the requirements of Section 272. The Commission

Requirements and Request for Immediate Interim Relief in Relation to the Provision of Nonlocal Directory Assistance Services; Petition of Bell Atlantic for Further Forbearance from Section 272 Requirements in Connection with National Directory Assistance Services, CC Docket No. 97-172, *Memorandum Opinion and Order*, 15 FCC Rcd 6053 (2000) ("*BellSouth Forbearance Order*"); *Petition of Bell Atlantic for Forbearance from Section 272 Requirements in Connection with National Directory Assistance Services*, CC Docket No. 97-172, *Memorandum Opinion and Order*, 14 FCC Rcd 21484 (1999) ("*Bell Atlantic Forbearance Order*"); *Petition of U S WEST Communications, Inc. for a Declaratory Ruling Regarding the Provision of National Directory Assistance, et al.*, CC Docket Nos. 97-172 and 92-105, *Memorandum Opinion and Order*, 14 FCC Rcd 16252 (1999) ("*U S WEST Forbearance Order*").

⁴ See *infra* note 14 and accompanying text.

⁵ According to the Commission, "[d]irectory assistance is considered 'local' whenever a customer requests the telephone number of a subscriber located within his or her LATA or area code. . . . Directory assistance service is considered 'nonlocal' whenever a customer requests the telephone number of a subscriber located outside his or her home LATA or area code." *U S WEST Forbearance Order*, 14 FCC Rcd at 16254-55, ¶¶ 5-6.

⁶ *Id.* at 16254, ¶ 2.

observed that, if U S WEST brought its nationwide nonlocal DA into compliance with Section 271(g)(4), such as by providing directory assistance service from storage facilities which it owned, its nonlocal service would be covered by the forbearance relief granted by the Commission.⁷

The Commission further found that “the nondiscrimination requirements of Section 272(c)(1) constitute statutory obligations that may be enforced separate and apart from the structural separation requirements of Section 272,”⁸ and concluded that the retention of those requirements would be sufficient to ensure that U S WEST’s provision of its nonlocal directory assistance service would satisfy the requirements of Section 10(a)(1).⁹ Exercising its right to grant or deny a petition in part, the Commission chose to forbear from applying the separate affiliate requirements of Section 272, and relied upon the nondiscrimination requirements in that section as “sufficient to prevent U S WEST from gaining an unfair competitive advantage in the nonlocal directory assistance service market.”¹⁰

Subsequent to the U S WEST decision, a number of other RBOCs, including BellSouth, sought and received similar forbearance relief for their provision of nonlocal directory assistance services.¹¹ As in the *U S WEST Forbearance Order*, the Commission concluded that BellSouth’s provision of nonlocal directory assistance to its in-region

⁷ *Id.*

⁸ *Id.* at 16274, ¶ 38.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *See, e.g., BellSouth Forbearance Order*, 15 FCC Rcd 6053; *Bell Atlantic Forbearance Order*, 14 FCC Rcd 21484; *U S WEST Forbearance Order*, 14 FCC Rcd 16252 (1999).

subscribers was a permissible incidental interLATA service under Section 271(g)(4).¹²

Although the Act requires that incidental interLATA services provided pursuant to Section 271(g)(4) be offered through a separate affiliate, the Commission forbore, in part, from applying the structural separation requirements of Section 272 to BellSouth's provision of nonlocal DA service.¹³ The Commission allowed BellSouth to provide its nonlocal DA services on an integrated basis, but required it to make available to unaffiliated entities all of the in-region telephone numbers used to provide nonlocal DA services at the same rates, terms, and conditions, that BellSouth imputes to, or imposes upon, its own nonlocal DA operations.¹⁴

Although the Commission permitted the BOCs to provide nonlocal DA on an integrated basis, the orders granting such authority never addressed the provision of international directory assistance. Last year, in a proceeding to address partial

¹² *BellSouth Forbearance Order*, 15 FCC Rcd at 6054, ¶ 1.

¹³ *Id.* at 6054, 6060-62, ¶¶ 2, 14-17.

¹⁴ *Id.* at 6054, 6060-61, ¶¶ 2, 14-15. Based on the Commission's previous findings, BellSouth would not be obligated to provide nondiscriminatory access to the listings it uses to provide international directory assistance. The rationale for refraining from imposing this requirement on the RBOCs in the prior forbearance orders was that they did not exercise monopoly power over the components used to provide telephone numbers of customers outside their regions. *U S WEST Forbearance Order*, 14 FCC Rcd at 16271, ¶ 33; *Bell Atlantic Forbearance Order*, 14 FCC Rcd at 21491, ¶ 14; *BellSouth Forbearance Order*, 14 FCC Rcd at 6060, ¶ 14. The Commission noted that, like competing providers of nonlocal directory assistance service, the RBOCs must obtain the telephone numbers of subscribers outside their respective regions from nonaffiliated entities that compile national listings or from other LECs. Therefore, the Commission expressly excused the RBOCs from providing telephone numbers of subscribers outside their regions to unaffiliated providers of nonlocal directory assistance. *U S WEST Forbearance Order*, 14 FCC Rcd at 16271, ¶ 33; *Bell Atlantic Forbearance Order*, 14 FCC Rcd 21491, ¶ 14; *BellSouth Forbearance Order*, 14 FCC Rcd at 6060, ¶ 14. If the Commission grants the requested forbearance relief, it should affirm its previous

reconsideration of the *U S WEST Forbearance Order*, the Commission stated that its ruling in the *U S WEST Forbearance Order* “was clearly confined to the issue of domestic directory assistance.”¹⁵ This pronouncement created ambiguity regarding BellSouth’s authority to provide IDA on an integrated basis pursuant to the previous relief granted for the provision of nonlocal DA.¹⁶

In light of this uncertainty, on December 20, 2002, BellSouth filed a petition asking the Commission to forbear from applying the Section 272 separate affiliate requirements so as to allow BellSouth to offer IDA on an integrated basis.¹⁷ That petition sought relief based on the fact that BellSouth had obtained authority to provide in-region, interLATA telecommunications services, pursuant to Section 271(d), throughout its nine-state territory. As such, BellSouth was seeking forbearance relief based on the long distance authority obtained pursuant to Section 271(d), rather than Section 271(g)(4).¹⁸

determination and state that BellSouth is not obligated to provide nondiscriminatory access to the listings it uses to provide international directory assistance.

¹⁵ *Petition of U S WEST Communications, Inc. for a Declaratory Ruling Regarding the Provision of National Directory Assistance*, CC Docket No. 97-172, *Order on Reconsideration*, 17 FCC Rcd 17030, 17038, ¶ 14 (2002) (“*U S WEST Reconsideration Order*”).

¹⁶ Arguably, international directory assistance fits within the Commission’s definition of nonlocal DA. *U S WEST Forbearance Order*, 14 FCC Rcd at 16255, ¶ 6 (“Directory assistance service is considered ‘nonlocal’ whenever a customer requests the telephone number of a subscriber located outside his or her home LATA or area code.”).

¹⁷ *See Petition of BellSouth For Forbearance From Application of the Separate Subsidiary Requirements of Section 272 of the Communications Act of 1934, as Amended, To Provide International Directory Assistance*, CC Docket No. 97-172 (filed Dec. 20, 2002).

¹⁸ The basis for authority (Section 271(d) or 271(g)(4)) is an important distinction. If the Commission were to allow BellSouth to offer IDA on an integrated basis pursuant to Section 271(d) (as previously requested), BellSouth would not be required to own at least 10% of the storage facilities used to offer IDA. This fact is significant because, as

On November 21, 2003, BellSouth filed a request to withdraw its forbearance petition because of a recent Commission decision in an unrelated proceeding that addressed the limits of the Commission's forbearance authority.¹⁹ In a *Memorandum Opinion and Order*, the Commission concluded that, under certain circumstances, it could not forbear from applying the Section 272 requirements until three years after the grant of Section 271 authority in a particular state.²⁰ Given the implications of this decision on the prior petition, BellSouth elected to withdraw its December 2002 forbearance request.

BellSouth has explained previously, significant operational and international regulatory barriers preclude it from owning any percentage of a storage facility containing all or even a majority of international listings. *See, e.g.,* Letter from Mary L. Henze, BellSouth, Executive Director, Federal Regulatory Affairs, to Magalie Roman Salas, Secretary, FCC, CC Docket No. 97-172 (filed Oct. 5, 2001); Letter from Mary L. Henze, BellSouth, Executive Director, Federal Regulatory Affairs, to Magalie Roman Salas, Secretary, FCC, CC Docket No. 97-172, at 7-8 (filed Sept. 6, 2001); Letter from Mary L. Henze, BellSouth, Executive Director, Federal Regulatory Affairs, to Magalie Roman Salas, Secretary, FCC, CC Docket No. 97-172, at 7-8 (filed August 24, 2001). Thus, the relief sought herein will enable BellSouth to provide only a limited IDA offering as compared to the more comprehensive offering BellSouth proposed to offer based on having obtained Section 271(d) relief throughout its region.

¹⁹ *See* Letter from Angela N. Brown, Senior Regulatory Counsel, BellSouth, to Marlene H. Dortch, Secretary, FCC, CC Docket No. 97-172 (filed Nov. 21, 2003). On November 24, 2003, the Commission released an order granting BellSouth's request to withdraw its petition. *See Petition of BellSouth for Forbearance from the Separate Subsidiary Requirements of Section 272 of the Communications Act of 1934, as Amended, to Provide International Directory Assistance Services*, CC Docket No. 97-172, *Order*, DA 03-3778 (rel. Nov. 24, 2003).

²⁰ *See Petition of Verizon for Forbearance from the Prohibition of Sharing, Operating, Installation, and Maintenance Functions Under Section 53.203(a)(2) of the Commission's Rules*, CC Docket No. 96-149, *Memorandum Opinion and Order*, FCC 03-271 (rel. Nov. 4, 2003). In the above-referenced proceeding, Verizon asked the Commission to forbear from applying certain Commission rules that prohibit a BOC from sharing operating, installation, and maintenance functions with the BOC or another BOC affiliate.

The instant petition, similar to those filed by SBC and Verizon earlier this year,²¹ requests authority to offer international directory assistance on an integrated basis pursuant to Section 271(g)(4).²² As discussed more fully in Section III below, BellSouth's provision of IDA, similar to its provision of nonlocal national DA, meets the statutory criteria for forbearance as set forth in Section 10. Accordingly, BellSouth respectfully requests that the Commission forbear from applying the separate affiliate requirements of Section 272 and authorize BellSouth to provide IDA on an integrated basis.²³ If the Commission grants the relief requested herein, BellSouth agrees to offer

²¹ See Petition of SBC Communications Inc. for Forbearance from Section 272 of the Federal Communications Act of 1996, CC Docket No. 97-172 (filed March 21, 2003); Petition of Verizon for Further Forbearance from Section 272 Requirements in Connection with Directory Assistance Services, CC Docket No. 97-172 (filed July 14, 2003).

²² BellSouth submits that, upon the three-year sunset of the Section 272 separate affiliate requirements in each of the states in BellSouth's region, BellSouth should be allowed to provide international directory assistance on an integrated basis pursuant to Section 271(d) without seeking further forbearance relief.

²³ If the Commission grants the forbearance relief requested herein and allows BellSouth to provide international directory assistance on an integrated basis, BellSouth respectfully requests a waiver of the Comparably Efficient Interconnection ("CEI") requirements so that it may expand its operator-assisted and electronic reverse search offerings to include international directory assistance. On July 19, 2002, the Commission granted BellSouth's request for a waiver of the CEI requirements to allow BellSouth: (1) to provide nonlocal operator-assisted and electronic reverse directory services; (2) to provide reverse search capabilities in connection with its direct access to directory assistance service; and (3) to expand its existing reverse search capabilities to enable customers to search by all or part of a street address or range of street addresses. *BellSouth Petition for Waiver of the Computer III Comparably Efficient Interconnection Requirements; Petition of the Verizon Telephone Companies for Waiver of Comparably Efficient Interconnection Requirements to Provide Reverse Directory Assistance*, CC Docket Nos. 01-288, 02-217, *Memorandum Opinion and Order*, 17 FCC Rcd 13881 (2002). BellSouth is requesting a similar waiver of the CEI requirements to add international listings to its reverse directory assistance offerings. In the event of a waiver of the CEI requirements, BellSouth agrees to comply with the previous conditions imposed on BellSouth's provision of reverse directory services. Specifically, BellSouth

international DA subject to the same conditions attached to its provision of nonlocal DA.²⁴

II. DESCRIPTION OF BELL SOUTH'S PROPOSED INTERNATIONAL DIRECTORY ASSISTANCE SERVICE

BellSouth's provision of IDA is a logical extension of its directory assistance services. BellSouth would provide this service in the same way it offers nonlocal DA today, using BellSouth-owned information storage facilities.²⁵ BellSouth would simply populate its storage facilities with certain international telephone listings.

Typically, a customer dialing 411 is routed to a TOPS switch within the caller's LATA. The caller is greeted with an automated directory assistance voice prompt asking for the city and state of the desired listing information. If the caller requests a number for a listing within the caller's own NPA, the caller is connected to an operator with access to the appropriate local listing database. On any such call, the caller, the operator, and the database may be in separate LATAs due to BellSouth's centralization of databases and operator positions.

will comply with the Commission's joint cost rules and make the appropriate amendments to its cost allocation manual. *See id.* at 13888, ¶ 13.

²⁴ Should the Commission grant the forbearance relief requested herein, it should affirm that BellSouth is able to use the 411 or 1-411 dialing codes in conjunction with its international directory assistance services. This outcome is consistent with the Commission's previous forbearance orders. In the *U S WEST Forbearance Order*, the Commission found that "the benefits to consumers of being able to dial 411 or 1-411 dialing code to obtain both local and nonlocal telephone numbers are substantial." *U S WEST Forbearance Order*, 14 FCC Rcd at 16280, ¶ 51. The same conclusion holds true here.

²⁵ In compliance with the Commission's requirements, BellSouth currently owns more than 10 percent of the information storage facilities used to provide national DA services. *See U S WEST Reconsideration Order*, 17 FCC Rcd at 17033-34, ¶ 7.

On nonlocal calls, the network configuration is the same. Calls arriving at the TOPS switch are routed over interLATA facilities to appropriate operator positions, and listing data is retrieved from distant listing databases over interLATA links. All of the listing information used to provide nonlocal DA is stored in and retrieved from storage facilities owned by BellSouth. Thus, BellSouth's provision of nonlocal DA is in full compliance with Section 271(g)(4).

For IDA, BellSouth DA operators would query a BellSouth-owned information storage facility to provide international listings, where available, to customers requesting such listings. The only difference between BellSouth's nonlocal national DA service (which the Commission has authorized) and BellSouth's proposed IDA service is that the international listings would be for numbers, names, and addresses of subscribers outside of the United States. BellSouth's provision of IDA would fall squarely within the scope of Section 271(g)(4) because BellSouth's service would permit a customer located in one LATA (in fact, country) to retrieve listings information about a subscriber in a different LATA/country from storage facilities owned by BellSouth.

III. FORBEARANCE FROM APPLYING THE SEPARATE AFFILIATE REQUIREMENTS OF SECTION 272 TO BELL SOUTH'S PROVISION OF INTERNATIONAL DIRECTORY ASSISTANCE SERVICE IS WARRANTED.

Section 10(a) of the Act requires the Commission to forbear from applying the structural separation requirements of Section 272 to BellSouth's provision of IDA if the three-pronged test of Section 10 is satisfied. The Commission must grant forbearance if: (1) enforcement of Section 272 is not necessary to ensure that the charges, practices, classifications, or regulations associated by, for, or in conjunction with that

telecommunication carrier or service are just and reasonable and not unjustly or unreasonably discriminatory; (2) enforcement of Section 272 is not necessary to protect consumers; and (3) forbearance is consistent with the public interest.²⁶ Just as BellSouth's provision of nonlocal DA satisfied all three criteria of Section 10, so does BellSouth's proposed IDA offering. Accordingly, the Commission should forbear from applying the structural separation requirements of Section 272 to BellSouth's provision of IDA.

A. Application of Section 272 to BellSouth's Provision of International Directory Assistance Is Not Necessary to Ensure That Rates and Practices Are Just and Reasonable and Not Unjustly or Unreasonably Discriminatory.

Application of the separate affiliate requirements to BellSouth's provision of IDA is not necessary to ensure that the rates and practices associated with this service are just, reasonable, and nondiscriminatory. In considering the first prong of Section 10 in the *BellSouth Forbearance Order*, the Commission found it relevant that BellSouth was a new entrant in the market for nonlocal DA service and faced competition from interexchange carriers ("IXCs"), Internet service providers, and providers of payphone and cellular services.²⁷ The Commission was also persuaded by the fact that BellSouth did not exercise monopoly power over the components used to provide the telephone numbers of customers outside its region.²⁸

These same facts previously found compelling by the Commission apply with

²⁶ 47 U.S.C. § 160(a).

²⁷ *BellSouth Forbearance Order*, 15 FCC Rcd at 6060, ¶ 14.

²⁸ *Id.*

equal force in the instant case. Indeed, BellSouth will face formidable competition in the market for IDA. Its principal competitors will be the IXC's, which have historically been the dominant providers of this service. Today, IDA is available through IXC's such as AT&T, WorldCom, and Sprint. If the Commission grants the relief requested herein, BellSouth will be the new entrant in this market. Besides other long distance carriers, IDA is subject to competition from other sources, including a host of Internet sites that provide the same or similar service.²⁹

Market forces will ensure that BellSouth will not charge unreasonable rates for IDA. As the Commission previously found in the *U S WEST Forbearance Order*, "competition is the most effective means of ensuring that the charges, practices, classifications, and regulations . . . are just and reasonable, and not unjustly or unreasonably discriminatory."³⁰ The same holds true here for the provision of IDA.

Applying Section 272 to BellSouth's provision of international directory assistance would have the counterproductive effect of leading to higher rates for this service. Imposing the separate affiliate requirement would necessitate duplication of systems, equipment, and personnel functions, thereby eliminating the economies that can be realized by sharing these resources. This inefficiency would make the provision of the service significantly more costly, forcing BellSouth to charge higher prices to consumers. Such a restriction would effectively eliminate BellSouth as a viable competitor, thereby decreasing the incentive of competitors to engage in competitive price reductions. Clearly, requiring compliance with the separate affiliate requirements would work against

²⁹ See, e.g., www.Anywho.com/international.html; www.10-10phonerates.com/intl.html; www.whowhere.lycos.com/wwphone/world.html; www.infospace.com.

³⁰ *U S WEST Forbearance Order*, 14 FCC Rcd at 16270, ¶ 31.

ensuring that the charges for IDA service are reasonable and competitive. The Commission cannot desire such a result.

Given that IDA would be an extremely small percentage of overall directory assistance call volume, the costs of providing this service through a separate affiliate would significantly outweigh the benefits of providing this service. Moreover, because IDA would comprise a relatively small piece of BellSouth's directory assistance business, there should be no concern about possible anti-competitive conduct. Thus, enforcement of the separate affiliate requirements is not necessary to ensure that the rates and practices associated with BellSouth's provision of IDA are just, reasonable, and nondiscriminatory.

B. Application of Section 272 to BellSouth's Provision of International Directory Assistance Is Not Necessary to Ensure That Consumers Are Protected.

The second prong of the forbearance test requires the Commission to determine that "enforcement of [Section 272] is not necessary for the protection of consumers."³¹ This prong is easily met also. Forbearance from the separate affiliate requirements would stimulate competition by facilitating the entry of additional providers into the market, thereby resulting in more choices and competitive pricing. As the Commission stated in the *U S WEST Forbearance Order* and reiterated in the *BellSouth Forbearance Order*, "[t]he introduction of additional competitors in the nonlocal directory services market will, in turn, encourage the providers of these services to compete on the basis of price and quality, which will ultimately benefit consumers."³² As discussed above, the primary

³¹ 47 U.S.C. § 160(a)(2).

³² *U S WEST Forbearance Order*, 14 FCC Rcd at 16278, ¶ 47.

effect of applying the structural separation requirements of Section 272 to BellSouth's provision of IDA would be the substantial increase in the costs of providing this service. Higher operating costs would force BellSouth to choose between charging higher rates for the service and not offering it at all. Neither result would benefit consumers.

Moreover, the nondiscrimination requirements of Section 272 that will remain will ensure that consumers are protected. As BellSouth has indicated, it agrees to be bound by the same terms and conditions of the prior forbearance relief granted for the provision of nonlocal directory assistance. Specifically, BellSouth will continue to allow other carriers nondiscriminatory access to its in-region listings. In the *BellSouth Forbearance Order*, the Commission noted that "retention of the section 272(c)(1) nondiscrimination requirements with respect to [BellSouth's] in-region telephone numbers should protect consumers by promoting the development of a fully competitive market for nonlocal directory assistance service, and by ensuring that no competitor will have an undue advantage in the nonlocal directory assistance services market."³³ This conclusion holds true in the instant case. In light of the foregoing, the Commission must find that the second forbearance criterion is met.

C. Forbearance from Applying Section 272 to BellSouth's Provision of International Directory Assistance Will Serve the Public Interest.

The third prong of the forbearance standard requires the Commission to determine that the requested forbearance is "consistent with the public interest."³⁴ In making that determination, the Act requires the Commission to "consider whether forbearance . . .

³³ *BellSouth Forbearance Order*, 15 FCC Rcd at 6061, ¶ 16.

³⁴ 47 U.S.C. § 160(a)(3).

will enhance competition among providers of telecommunications services.”³⁵ Moreover, the Commission has previously acknowledged that, “as section 10(b) directs, if [it] find[s] that forbearance from section 272 will enhance competition in the market in which the BOC seeks to enter, then such a finding may serve as the basis that forbearance is in the public interest.”³⁶

As demonstrated above, BellSouth’s provision of IDA on an integrated basis will lead to increased competition with significant and tangible benefits to consumers. In granting BellSouth’s previous Section 272 forbearance request for nonlocal DA, the Commission concluded “that allowing [BellSouth] to provide nonlocal directory assistance service on an integrated basis is in the public interest because it will allow [BellSouth] to be [a] more effective competitor[] in the nonlocal directory assistance services market.”³⁷ The Commission further found that requiring BellSouth to provide nonlocal directory assistance through a separate affiliate, while continuing to provide local directory assistance on an integrated basis, “would pose significant adverse competitive consequences . . . , without positive benefits for consumers.”³⁸

There is a growing demand for international directory assistance services. BellSouth consistently receives calls from customers seeking to obtain international listings. However, BellSouth must turn those customers away. The result is customer confusion and frustration. Allowing customers to obtain all their directory assistance

³⁵ 47 U.S.C. § 160(b).

³⁶ *U S WEST Forbearance Order*, 14 FCC Rcd at 16269, ¶ 29.

³⁷ *BellSouth Forbearance Order*, 15 FCC Rcd at 6061-62, ¶ 17.

³⁸ *Id.* at 6062, ¶ 17.

services from a single source rather than having to use multiple providers creates the one-stop-shopping framework the Commission has repeatedly advocated. Moreover, allowing BellSouth to offer local, nonlocal, and international directory assistance will enable businesses and consumers to access worldwide information quickly and conveniently, a need that is increasing in today's global economy.

The grounds for granting BellSouth's requested relief are essentially the same as those the Commission found persuasive in granting BellSouth's previous forbearance request to provide nonlocal DA. In the *BellSouth Forbearance Order*, the Commission noted the existence of other companies already providing similar services in the absence of applying the structural separation requirements and concluded that the public interest would be served by providing consumers with additional competitive alternatives for directory assistance service.³⁹ In addition, in granting the forbearance petition, the Commission was persuaded that the costs of compliance with the Section 272 requirements would far outweigh any potential benefits of compliance. The same reasons apply with equal force in the instant case.⁴⁰

In sum, application of the Section 272 structural separation requirements in this instance is simply not necessary. In fact, application of these requirements would likely result in a situation in which BellSouth would not be able to offer international directory assistance due to the inefficiencies and costs associated with providing this service through an affiliate. The end result would be diminished competition and reduced consumer choice. Competition is the cornerstone of the Commission's rules and policies.

³⁹ *Id.* at 6061-62, ¶ 17.

⁴⁰ *Id.*

Allowing BellSouth to provide IDA as part of its suite of directory assistance services on an integrated basis will provide consumers with more choices, which, in turn, will serve the public interest.

IV. CONCLUSION

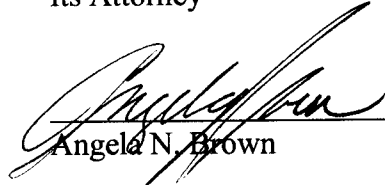
For all of the reasons articulated above, the Commission should forbear from applying the separate affiliate requirements of Section 272 so that BellSouth may provide international directory assistance on an integrated basis pursuant to Section 271(g)(4). Section 10 requires the Commission to forbear from applying a regulation if it determines that three criteria have been met. BellSouth has demonstrated that those criteria are satisfied. The analysis conducted by the Commission in its review of prior forbearance petitions for nonlocal directory assistance (including BellSouth's petition) resulted in a finding that forbearance was appropriate. That same analysis is equally applicable to the instant petition. Accordingly, BellSouth respectfully requests that the Commission grant its petition for forbearance from the separate affiliate requirements of Section 272 so that it may provide international directory assistance service on an integrated basis together with its local and nonlocal DA services.

Respectfully submitted,

BELLSOUTH CORPORATION

Its Attorney

By:


Angela N. Brown

Suite 4300
675 West Peachtree Street, N. E.
Atlanta, GA 30375-0001
(404) 335-0724

November 25, 2003

CERTIFICATE OF SERVICE

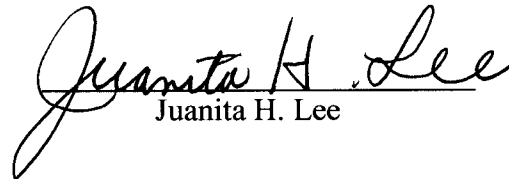
I do hereby certify that I have this 25th day of November 2003 served the following parties to this action with a copy of the foregoing **PETITION FOR FORBEARANCE** by electronic filing and/or by electronic mail addressed to the parties listed below.

+Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
The Portals, 445 12th Street, S. W.
Room TW-A325
Washington. C. 20554

+Qualex International
The Portals, 445 12th Street, S. W.
Room CY-B402
Washington, D. C. 20554

*Christi Shewman
Federal Communications Commission
Wireline Competition Bureau
The Portals, 445 12th Street, S. W.
Room 5C142
Washington, D. C. 20554
Christi.shewman@fcc.gov

*William Kehoe
Federal Communications Commission
Wireline Competition Bureau
The Portals, 445 12th Street, S. W.
Room 5C312
Washington, D. C. 20554
William.kehoe@fcc.gov


Juanita H. Lee

+ **VIA ELECTRONIC FILING**
* **VIA ELECTRONIC MAIL**